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AUTHOR Bikson, T. K.; Law, Sally Ann
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ABSTRACT

According to both corporate and academic spokespersons, U.S. colleges and universities are turning out job candidates with high levels of domain knowledge. With respect to cross-cultural competence, however, job candidates are much less well prepared. They are unlikely to understand the international dimensions of their major academic field, and they probably have not had a general education background that includes world history, geography, or comparative political science. Moreover, many have had no exposure to other cultures and languages. Compared to international students, corporate and colleges representatives believed U.S. students to be at a serious competitive disadvantage in the global labor market. Because almost all technical, professional, and managerial jobs are likely to require some cross-cultural competence in the future, the demand for persons with cross-cultural competence is expected to grow as more U.S. firms position themselves for international competition. Therefore, U.S. students college students need to be prepared better for their roles in international corporations. Colleges will need to adjust their curricula to meet this need, and corporations also will need to provide more training. (KC)

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Toward the Borderless Career

Corporate Hiring in the '90s

T.K. Bikson and Sally Ann Law

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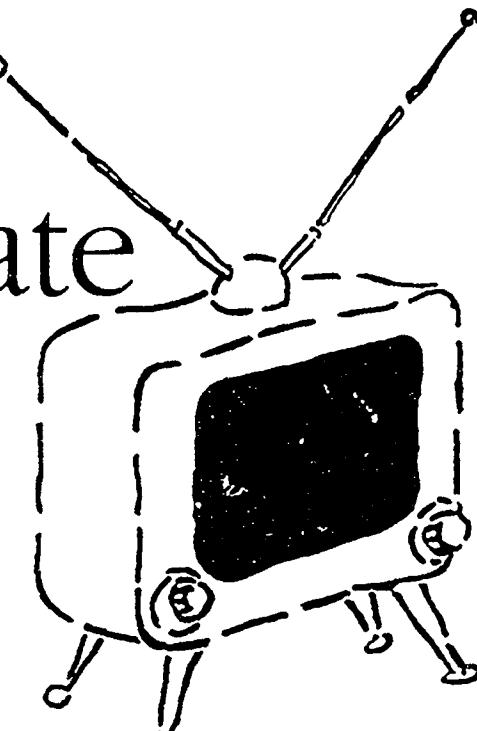
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REPRINTS

TOWARD
THE
BORDERLESS
CAREER:

Corporate Hiring in the '90s



T.K. Bikson and Sally Ann Law

"Relative to
expected
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the supply
of cross-
culturally
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is scarce."

- » How is globalism understood by corporations and colleges in the United States?
- » What are the human resource implications of globalism? In particular, what characteristics will be needed by professionals to perform successfully in the new world economy?
- » What are corporations and colleges doing today to meet these human resource needs? How successful are they?
- » What should they be doing differently to produce a professional workforce that is competitive globally?

These are the key questions we set out to answer in a recent study sponsored by the College Placement Council Foundation and conducted by the RAND Corporation. Case studies were conducted in 16 corporations and 16 academic institutions distributed among four major urban areas in distinct regions of the United States. The corporate sites included manufacturing, construction, and business and technical service firms. All were multinational or had international business strategies, and all recruited on college campuses. The academic sites included public and private colleges and universities, all of which had mission statements or programs that acknowledged a concern with preparing graduates to participate in a global economy, and all of which offered job placement services. More information on our research method appears on page 15. In this article, we concentrate on the findings of our study of corporate managers.

Corporate strategies for responding to an increasingly internationalized and dynamic environment have been the subject of widespread attention, both in popular media and in the trade press. However, less attention has been given to the human resource implications of those strategies. What kinds of managers and professionals will perform successfully in a global economy? What should higher educational institutions be doing to prepare their graduates for effective participation in such an environment? How can corporations improve their ability to find, hire, and develop a workforce that can cope with international as well as domestic competitive pressures?

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Corporate Perspectives on Globalism

At all sites, the corporate respondents viewed globalism in two senses, conceptual and operational. Globalism in a conceptual sense refers to a revolutionary way of understanding the structure of the world economy and the position of U.S. firms in it. Globalism in an operational sense refers to new ways of doing business designed to increase a firm's competitiveness in an increasingly inter-linked world economy. The chief prerequisite for operating successfully in such an environment, according to those interviewed, is the adoption of a thoroughly new perspective. Frequent references to a "paradigm shift," "revolution in thought," "new model," and "new culture" indicate the pervasiveness of the change in view.

Globalism in the conceptual sense is characterized by four themes. Most noticeable was



the theme that a global view of economic activity is not location dependent but rather is distributed and adaptive to local conditions. As a corollary, earlier "multinational" models of corporate activity—regarded as headquarters centered—are giving way to more pancentric models in an attempt to overcome the "we-they" orientation. As one vice president put it, "The phrase 'home country' is losing its meaning."

A second theme is that globalism, although not location-dependent, is location responsive. The same enabling technologies permit corporations to customize products and services for clients all over the world, communicate rapidly and directly with suppliers, distributors, and customers anywhere, and engage in a variety of collaborative ventures with other organizations at a distance.

A third theme characterizing globalism is that responding competitively in fast, flexible ways to wide-ranging opportunities and challenges may entail a host of specific operational changes. Aiming at these kinds of performance standards led many of the organizations in this study to reduce levels of management and to push decision making to lower levels in the hierarchy.

Finally, such generic changes directly link globalism in strategic planning to the way individual jobs are done.

Globalism in the operational sense is characterized by three kinds of activities: (1) large-scale restructuring by firms to move away from location as a major principle of organization; (2) expansion of the corporate knowledge base to permit world-

wide business activities; and (3) enhancement of competitiveness through improvements in speed, quality, and customer satisfaction.

Corporations taking part in this research have well-elaborated ideas about what globalism means in general and for their own operations. A corporate global strategy does not necessarily entail international posts or extended travel for its employees—but it might. Geographic mobility, supplemented by improved communications, is in fact becoming more frequent. To some extent, the requirement for mobility depends on the job function performed and the career path of the job holder. It also depends in part on other aspects of a company's international strategy, such as outsourcing, host-country hiring, and international agreements. In any case, globalism and its concomitants have made location a less clear-cut issue than it used to be.

On the other hand, a corporate global strategy does entail an increased need to understand—and be able to interact with—representatives of other cultures. That need arises in several ways. For example, it may be required for adapting products and services to new markets, for marketing and selling them, or for coping with the legal and regulatory environment within which such activities are conducted. Or it may be required for cooperating with a non-U.S. partner firm, working within a cross-cultural team, or capturing a sizable share of business from ethnically distinct market segments within the United States.

Corporate Perceptions of Human Resource Implications

Our interviews and discussions with corporate participants explored the consequences of a global business strategy for the kinds of professional employees a firm hopes to hire. Four categories of human resources needs were suggested by the results of our research.

■ **Domain knowledge.** The need for knowledge in specific subject-matter areas is intensifying as firms face stronger competition. Colleges in the United States are currently producing graduates with strong domain knowledge, but corporations are concerned about the ability of those colleges to continue to meet even higher standards as their resources become increasingly limited and entering students show signs of being less and less prepared. Entry-level requirements for professional jobs appear to be getting higher, especially in the sciences, engineering, and other technical fields, but according to many corporate respondents the supply of highly competent graduates is decreasing. Some firms reported deterioration not only in basic mathematics and science skills but also in reading comprehension and writing ability among college graduates.

■ **Cognitive, social, and personal skills.** Problem-solving ability, decision making, and knowing "how to learn" are all valued generic cognitive skills. Social skills include the ability to work effectively in groups with colleagues of diverse backgrounds (both cultural and professional) and the ability to communicate effectively both in writing and in speech. Frequently cited desired personal traits are flexibility and adaptability, openness to

new ideas and practices, empathy with others' perspectives, commitment to quality work, and innovativeness. Corporate respondents do not believe that colleges focus sufficiently on developing these skills and qualities.

■ **Prior work experience and on-the-job training.** Corporations value job candidates who have successfully demonstrated their domain knowledge and their generic skills and traits in work settings. Corporate participants do not believe that colleges generally encourage students to gain work experience relevant to their professional goals (even though some academic programs include internships).

■ **Cross-cultural competence.** Cross-cultural competence is the critical new human resource requirement for corporations that have espoused a global business strategy. The skills and abilities reviewed in the other categories above would be expected to contribute to effective performance in almost any organization; changes made in the interest of becoming or remaining internationally competitive only intensify the need for them. Cross-cultural competence, however, is more directly linked to globalism. As one human resource specialist said, "Any-one who is hired in the firm now is potentially an international engineer and has to be flexible. But there are places in the United States where you would get culture shock too."

Firms value cross-cultural competence independently of whether an employee's job calls for travel. The need to understand and interact with individuals from different cultural backgrounds has become increasingly location-independent. Moreover,

some companies have moved to make diverse work groups a part of the way they do business everywhere. For example, one vice president told us, "We need a workforce that mirrors the international scope of our sites and the international character of the global customers we work for. We can't do this with culturally homogeneous teams of professionals." As a result, he added, "any office, in any country, will have employees of many, many nationalities."

Given the emphasis on cross-cultural competence as the new human resource requirement for internationally competitive firms, it is surprising that prior cross-cultural experiences, such as study-abroad, and foreign language fluency received relatively low ratings as predictors of workplace effectiveness in the more quantitative portion of our study (not reported here). Interview information suggests two reasons for this.

First, according to respondents, the value of

♦
"I'm looking
for business
globalists—people
who understand
business issues from
an international
perspective—not just
the interculturally
sensitive types."
♦

study-abroad programs depends almost entirely on how they are implemented. Many corporate representatives, for instance, believe that often study-abroad programs are too isolated and academic, creating "mini-Americas" or "American ghettos" within the host country. As a result, students do not in fact have to adapt to day-to-day life in another culture. Similarly, college course work in a foreign language—even several semesters of it—does not necessarily produce cultural fluency. Not all academic programs have these problems. Corporate respondents named schools in the United States and elsewhere that provide very strong language training coupled with intensive exposure to another culture. These were, however, regarded as exceptional.

Second, respondents believe that it is not necessary to possess a specific linguistic and cultural fluency in advance of a job assignment; rather, what is important is being willing to learn when the need arises. Knowing the language ahead of time is a real strength, the director of global strategy in one corporation acknowledged, "but understanding things from the other perspective is crucial. Living there gives you this even when you aren't totally fluent." It was

counterparts from universities in other parts of the world, a marketing manager told us, U.S. students are "strong technically" but "shortchanged in these other areas." Concurring, a worldwide human resources vice president noted, "Our U.S. candidates are the most linguistically deprived." The general belief, then, is that job candidates are likely to lack both the international aspects of domain-relevant knowledge and general background understanding required to make successful use of their technical capabilities in a global economic environment.

On the experiential side, concerns focus on whether U.S. candidates get enough exposure to other cultures to learn how to work effectively with individuals whose norms, preferences, beliefs, styles, and values are quite different from their own. We have already mentioned firms' skepticism about the degree of cultural exposure afforded by most study-abroad programs. They are even more dubious about the extent to which other opportunities for exposure to different cultures are exploited. Many participants contended, for instance, that in spite of efforts to recruit

putting pressure on them."

Given that the new competencies required for international competitiveness are not now readily supplied by most U.S. academic institutions, we sought to find out what approaches corporations are adopting to align workforce skills with global strategies. We found five:

- Looking beyond the U.S. labor market
- Sending new signals to schools
- Training and development in the firm
- Updated models for international careers
- Strengthening ties with academic institutions

Looking Beyond the U.S. Labor Market

The fastest way to meet the demand for cross-cultural competence is to look beyond the U.S. labor market in recruiting entry-level employees. Firms pursue this option in two ways, searching both within and outside the United States.

First, firms may solicit interviews with international students on the U.S. campuses where they regularly recruit and participate in job fairs or recruiting consortia that draw international students from several academic institutions. In addition to conducting campus interviews, firms make use of third-party organizations that specialize in locating international students for entry-level positions (in contrast to most search firms, which specialize in higher level recruiting).

The director of one engineering department, for instance, told us that "more and more resumes for entry-level engineers come to us from non-U.S. students." A recruiter in another organization reported similar experiences in most of the science and technology fields in which they hire. Both found that, at least below the PhD level, many U.S. students in these fields are "noncompetitive on the skill market," for reasons described earlier. Further, many international students have the advantage of being cross-cultural. One recently hired engineer mentioned being fluent in English, Chinese, and French; he said that having lived in many countries was a "strong asset" in the job market. Although particularly difficult in engineering and applied science, the problems of finding subject-matter excellence combined with cross-cultural competence are not confined to these fields.

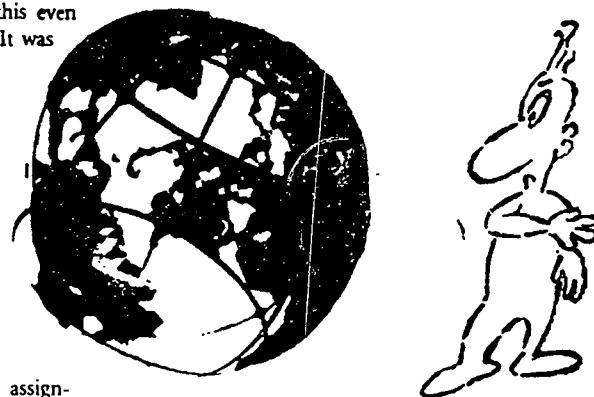
As a second strategy for looking beyond the U.S. labor market, many corporations also recruit at universities in other countries. The worldwide vice president for human resources in one corporation explained that "European students are eager to do a 'stage' in another country, and their schools encourage it, so they have gotten better cultural exposure." Speaking more bluntly, a representative from another corporation said, "If I wanted to recruit people who are both technically skilled and culturally aware, I wouldn't even waste time looking for them on U.S. college campuses." A third firm reported recruiting in 60 to 65 countries, acknowledging that "when we recruit internationally, we get employees we can send anywhere in the world; but we recruit North Americans to work in the home country only."

It is important to note that international students are normally recruited in the United States on condition that they will work for the hiring

generally agreed, however, that fluency needs to be acquired once an international assignment is made. For individuals motivated to overcome cultural barriers to being effective employees, this was not regarded as a major hurdle. As the international human resource director in one corporation said, "We tell them that if they're good enough to be an engineer in [company name], they can learn the language."

Cross-cultural competence, then, chiefly entails a widened knowledge base plus openness and adaptability to different cultural perspectives—and the willingness to learn whatever else is needed to deploy domain skills effectively in new contexts (including, perhaps, functionality in another language). Although these sound like the sorts of prerequisites universities are well-suited to fulfill, they are what corporations find in shortest supply among entry-level candidates.

The shortfalls have to do with both the content and the experiential aspects of cross-cultural competence. With respect to content, corporate respondents pointed out, international dimensions of the academic major tend to be treated superficially or unsystematically in course work—and may even be ignored entirely. Moreover, the broader background may be missing as well. That is, general education requirements for a baccalaureate degree can often be met without courses in subjects such as world history, geography, and comparative political science. Compared to their



firm in their home country. They may be retained in the United States, however, which involves extra time, bureaucratic procedures, and other costs associated with getting a work permit or permanent residency; or they may be deployed to other locations, depending on the firm's needs.

Although globally positioned firms are able to address many of their human resource needs by going to the international labor market, it is not in all respects an optimal solution. First, it entails additional effort. More important, as an engineering department director pointed out, "International labor competition is already tough now."

Sending New Signals to Schools

A longer-term approach to meeting these new human resource requirements is to send strong signals via job descriptions, recruiting processes, and hiring procedures that candidates with cross-cultural competence have a significant advantage. Such a strategy is intended both to attract graduating students who have the desired capabilities and also to let those in the pipeline know about the new skill demands. Because trends toward globalism are expected to increase, expanding the pool of potentially effective U.S. candidates in the workforce is viewed as highly desirable. Moreover, promoting cross-cultural competence in the U.S. workforce is important, not just because U.S. candidates who lack it will not make it in a global company, but also because it means they "won't make it managing a diverse workforce domestically," according to one marketing department head.

Training and Development in the Firm
For the firm itself, early training experiences are useful for assessing an employee's potential effectiveness in international work. A number of participating companies, for example, send newly hired U.S. employees to an international site for initial training. Their performance in that context is treated as a good predictor of their future effectiveness in the global workforce. Reflecting this view, a corporate vice president said, "Our employees have to be able to operate in a very local manner, whatever country they are in." Underscoring this point, another human resource manager said, "The biggest cause of failure is inability to adapt."

Other developmental activities may include simulation exercises aimed at increasing employees' openness to alternative cultural perspectives and working with culturally diverse project teams at U.S. sites. Relatively few firms made use of games or simulations with the primary objective of enhancing international awareness. More often, such techniques had been incorporated to improve the management of cultural diversity domestically, with in-

creased international understanding a positive secondary outcome.

On the other hand, teams comprising professional employees of many nationalities were more likely to have been introduced as a direct component of a global business strategy. These teams serve several purposes. First, one human resource manager told us, "The competition between members is healthy and fun, and makes for a good team. And they learn how to adapt to others from different cultures within the team, which promotes adaptation to diverse clients externally." Second, according to several line directors as well as human resource directors, use of such teams is often the best—if not the only—way to put together the right mix of expertise for tackling an international project. "We must be able to draw on the specialty strengths of each country," one of them noted.

Updated Models for International Careers

Globalism means shifting from older multinational, U.S.-centered models to a more internationalized understanding of the economic environment. Corresponding changes are beginning to appear in the ways corporations prepare their employees for international assignments. New practices diverge markedly in several respects from traditional relocation services.

First, corporations expect that a larger proportion of their U.S. workforce will have international assignments. A substantial majority regard it as vital for the U.S. employee to become domestically competent before going international—two to three years was the modal time period cited by interviewees in this regard. However, many of the firms in this study think that the first international assignment should come early in the career path. It costs less to send a junior employee to a non-U.S. site; further, human resource managers believe that the longer the period before first exposure to work within a different culture, the harder the adaptation will be. Senior-level employees with no prior international experience are regarded as high-risk candidates for posts abroad. In response to these kinds of issues, a few of the corporations had made major changes in career planning. Although others retained separate international and domestic career paths and recruited quite different individuals into them, these firms have begun to hire all career employees as potential international candidates, rotating them between international and domestic assignments as they head up the career ladder.

Second, a small number of firms in the sample carefully developed philosophies of globalism and conveyed them to all employees. One such corporation, for example, has a policy that "the doors are open for everyone, all up and down the career path."

(continued on page 32)

DATA COLLECTION PROCEDURES

Two kinds of information-gathering procedures were conducted at each site: individual interviews and group discussions. The individual interviews were semi-structured and followed a common protocol. Interviewees at corporate sites included senior members of management, heads of personnel or human resources departments, and department directors. Academic interviewees included senior decision makers, directors of the career placement service, and senior faculty members. The group discussions were conducted with recently hired, entry-level corporate professionals and graduating students seeking professional jobs.

All participants also completed a five-point scale rating the importance of various factors in successful job performance in a globally oriented firm. A total of approximately 350 people participated, divided about evenly between corporate and academic sites. The field research was conducted between September 1991 and February 1992.

Requiring about an hour to complete, the interview was intended mainly to elicit information about the institution and about individuals' capacity to carry out specific roles. Most interviewees could not respond fully to all questions. For example, senior managers often knew little about the specifics of their firm's college recruitment program; on the other hand, many human resource specialists did not have a comprehensive picture of the firm's international business strategy. But when the responses of all role incumbents were combined, they generated an information base adequate for answering the questions of primary research interest in this study.

Academic collection efforts focused on departments whose students would probably be aiming to enter the workforce rather than go on to graduate school. We therefore interviewed many representatives of departments such as engineering, economics, computer science, geology, international relations, communications, business, and other disciplines whose graduates often enter the workforce with a baccalaureate degree. These majors also attract large numbers of international students. Additionally, representatives of other departments, such as foreign languages, political science, and foreign area studies, were interviewed.

The perceptions and behaviors observed in the study sample may not generalize to all U.S. corporations and colleges. The sites were selected because they appeared to be aware of and actively responding to an increasingly global economic environment and thus were likely to be on the leading edge on issues of globalism.

It is important to distinguish carefully between perceptions and reported behaviors, and between actual conditions and behaviors. No attempt was made in this study to establish the validity of respondents' answers. Anecdotal evidence suggested that some responses, though based on recent experience, were in fact inaccurate and outdated. Some corporations and colleges appear to be moving very quickly to meet the challenges of a global economy, and their ongoing efforts are undoubtedly not fully reflected in the data reported here.

HIRING *continued from page 15*

In particular, it is unacceptable "to have only U.S. employees in upper management and locals in lower-level roles" at international sites; rather, "all have to be treated equally." As a further move to overcome U.S.-centered orientations, the company has a policy against "expatriate ghettos"; it

roadblocks" to this philosophy he contends that it has increased the company's acceptance around the world.

Finally, dealing with repatriation after the successful completion of an international assignment is as yet an unresolved problem for corporations. Most corporate respondents acknowledged that their firms do not handle it well.

employee into the firm in a way that builds on and rewards the international experience.

Strengthening Ties with Academic Institutions

Industry-university cooperation is not new and is not directly a response to globalism. However, for the organizations participating in this research, co-operation between corporate and educational settings is expected also to serve that aim; and it is taking place more often, and in more varied ways, than in previous decades.

The sampled corporations are participating in traditional industry-university collaborations at high levels. These collaborative efforts involve spending more on joint research and development efforts and research support for faculty as well as equipment contributions. Additionally, some firms were involved in exchange programs that permit faculty members to spend time in corporate settings while corporation employees serve as visiting faculty. Although these activities are primarily aimed at improving education in specific disciplines, they also promote cross-cultural competence.

Most of the firms in the study are making varied efforts to identify and support promising students sooner. Reflecting a highly consensual view, one human resource manager said, "we need a big push to develop available human resources, starting earlier—maybe just after the first or second year—and offering more coops and other kinds of development programs." In the past, such opportunities have most often been offered to students in the summer of their junior year.

Now many participating firms believe that some kinds of developmental opportunities should become available at precollege levels. "If the United States is going to compete and to draw its employees from the U.S. workforce," another human resource manager contended, "we have to motivate students to do well in high school." Although high schools are generally viewed as not pushing students to do "enough intellectual stretching," two areas were cited most frequently as sources of marked concern: mathematics and science, and foreign languages.

With growing uncertainties about the future of government funding for higher education (and for precollege education as well), there is a new synergy in industry-university relationships. In this study, these initiatives appear to offer the best long-term prospects for addressing the human resource needs for success in a globally competitive environment.

Interviews with corporate representatives closed with a question about whether they had major issues to raise, points of special emphasis, or critical recommendations to make either to government policy makers or to decision makers in academic and business settings. Across a range of respondents, closing remarks captured a common theme: The United States must do more to nurture its human resources if it is to remain a vital and growing part of the global economy. Although the United States today enjoys one of the world's highest productivity levels, the corpora-

expects employees to "learn the language and be integrated in the local culture." As the worldwide vice president for the firm expressed it, employees are expected not to behave like "guests" or "foreigners" in countries where they work, but like "citizens." Although "there are lots of cultural

concentrating most energy on making sure the outbound effort goes smoothly. For instance, there are few services set up to help employees cope with reentry shock—although it is often severe and unexpected. Further, it is likely that little attention has been given to reintegrating the em-



tions participating in this study are concerned about whether it will be able to sustain its competitive advantage in the decades to come. The answer to that question, they believe, turns in large measure on the development of a high-performance global workforce.

One of the clearest messages from academic respondents was "Help, we can't do it all with the dwindling resources we have available to us." In virtually every interview at all levels of the university hierarchy, respondents told us they are willing to accept the challenge of providing a globally relevant education to their students. Most acknowledged that the status quo would have to be changed if the U.S. education system is to give students a chance to become effective members of a globally competitive labor market. And most are trying in some way to take the necessary first steps.

However, if high school graduates arrive less prepared in basic skill areas as budgets decline, then the problems facing higher educational institutions become greater and greater. Without additional resources or the radical reallocation of existing resources, many respondents maintained, it is already difficult to ensure the same level of achievement as ten years ago—let alone to implement new efforts to change and internationalize the higher educational system to serve the needs of future decades. Well-prepared foreign students, of course, require no remedial work (provided their English is adequate) and allow the university to focus directly on achievement.

◆ "The economic world doesn't revolve around the United States—the United States is just one among many strong players in the global business environment."

Many interviewees in both camps mentioned the lack of effective communication between the corporate and academic communities. Decision makers and stakeholders in the participating schools viewed this problem from two angles. First, many said that in order for schools to respond effectively to the pressures of global competitiveness, the corporate community must articulate its needs and expectations clearly and consistently. One business school dean, making this point, insisted that "U.S. business is retarding the efforts of universities to globalize students and the workforce. They are sending all the wrong signals. They don't tell us clearly what they want, and don't model the behavior they seek—so we don't believe them. How many executives do you know who are trying to learn German? We've got nothing to go on."

Career development and placement counselors in particular expressed their disappointment and frustration with corporate recruiters, who still give priority to the same types of students they did ten years ago. Many respondents emphasized that although CEOs may profess a need for highly articulate graduates with a broad educational background and cross-cultural competence, recruiters seldom seek out such candidates or refer them for on-site hiring interviews. A high grade-point average in an academic major is what gets their attention.

Conclusion

According to both corporate and academic respondents, U.S. colleges and universities are turning out job candidates with high levels of domain knowledge. But with respect to cross-cultural competence, job candidates are much less well prepared. They are unlikely to understand the international dimensions of their major academic field; and they probably have not had a general education background that includes world history, geography, or comparative political science. Moreover, many have had no exposure to other cultures and languages. Compared to international students, our respondents believed U.S. students to be at a serious competitive disadvantage in the global labor market.

Although we cannot bound our conclusions about human resource needs with quantitative estimates, we believe that in corporations like those we studied, almost all technical, professional, and managerial jobs are likely to require—or at least benefit substantially from—cross-cultural competence in the near future. Further, for corporations with a global strategy, the demand is unlikely to differ as a function of region or sector, and we would expect the demand to grow as more and more U.S. firms position themselves for international competitiveness. Relative to the expected demand, our research leads to the conclusion that the supply of cross culturally competent U.S. job candidates is scarce. Both corporate and academic participants in the study see it as imperative to better prepare the U.S. workforce of the future for success in a global economy.

—Sally Ann Law, a behavioral scientist, and Tora K. Dikson, a senior scientist, are members of the RAND Corporation's Social Policy Department. The study on which this article was based is entitled Global Preparedness and Human Resources: College and Corporate Perspectives. To order the study contact RAND's Distribution Services at 310.451.7002; fax 310.451.6915; Internet order@rand.org.

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